



SPAFID
CONNECT

Informazione Regolamentata n. 0230-89-2021	Data/Ora Ricezione 10 Giugno 2021 17:20:38	MTA
--	--	-----

Societa' : UNIPOLSAI
Identificativo : 148562
Informazione
Regolamentata
Nome utilizzatore : UNIPOLSAIN08 - Nerdi
Tipologia : 3.1
Data/Ora Ricezione : 10 Giugno 2021 17:20:38
Data/Ora Inizio : 10 Giugno 2021 17:20:39
Diffusione presunta
Oggetto : Press release Unipol-UnipolSai - Fitch
upgrades Unipol Group ratings: UnipolSai
at BBB+

Testo del comunicato

Vedi allegato.

FITCH UPGRADES UNIPOL GROUP RATINGS: UNIPOLSAI AT BBB+

Bologna, June 10 2021

The rating agency Fitch Ratings has upgraded the Insurer Financial Strength Rating of UnipolSai Assicurazioni S.p.A. to “BBB+” from “BBB” or two notches above Italy's rating (BBB- / Stable Outlook).. Consequently, the Issuer Credit Rating of Unipol Gruppo Finanziario went up to “BBB” from “BBB-”. The Group's debt ratings have also been upgraded by 1 notch:

- Unipol Group S.p.A. senior debts are now at "BBB-";
- UnipolSai Assicurazioni S.p.A. subordinated debts are now at "BB+";
- UnipolSai Assicurazioni S.p.A. perpetual RT1 debt is now at "BB-".

The rating agency outlook of the ratings remains “stable”.

In its assessment, the Fitch Committee recognised the soundness of the strategy and the Group's achievements, particularly with regard to the assets concentration risk in the investment portfolio and the strengthening of capital in 2020.

The full text of the press release issued by Fitch Ratings is attached.

Unipol Gruppo S.p.A.

Unipol is one of the biggest insurance groups in Europe and the leading company in Italy in the non-life insurance sector, (especially in the MV and health businesses), with total premiums of approximately €12.2bn, of which €7.9bn in non-Life and €4.3bn in life (2020 figures). Unipol adopts an integrated offer strategy and covers the entire range of insurance and financial products, operating primarily through the subsidiary UnipolSai Assicurazioni S.p.A. The Group is also active in direct MV insurance (Linear Assicurazioni), transport and aviation insurance (Siat), health insurance (UniSalute), supplementary pensions and also covers the bancassurance channel (Arca Vita, Arca Assicurazioni and Incontra). It also manages significant diversified assets in the debt collection (UnipolReC), real estate, hotel (Gruppo UNA), medical-healthcare and agricultural (Tenute del Cerro) sectors. Unipol Gruppo S.p.A. is listed on the Italian Stock Exchange.

UnipolSai Assicurazioni S.p.A.

UnipolSai Assicurazioni S.p.A. is the insurance company of the Unipol Group, Italian leader in the Non-Life Business, in particular in the MV and Health businesses. Also active in Life Business, UnipolSai has a portfolio of over 10 million customers and holds a leading position in the national ranking of insurance groups with a direct income amounting to approximately €12.2bn, of which €7.9bn in Non-Life Business and €4.3bn in Life Business (2020 figures). The company has the largest agency network in Italy, with about 2,400 insurance agencies spread across the country. UnipolSai is also active in direct MV insurance (Linear Assicurazioni), transport and aviation insurance (Siat), health insurance (UniSalute), supplementary pensions and also covers the bancassurance channel (Arca Vita, Arca Assicurazioni and Incontra). It also manages significant diversified assets in the real estate, hotel (Gruppo UNA), medical-healthcare and agricultural (Tenute del Cerro) sectors. UnipolSai Assicurazioni is a subsidiary of Unipol Gruppo S.p.A. and is also listed on the Italian Stock Exchange.

Unipol Gruppo

Media Relations
Fernando Vacarini
T. +39 051 5077705
pressoffice@unipol.it

Investor Relations
Adriano Donati
T. +39 051 5077933
investor.relations@unipol.it

Barabino & Partners

Massimiliano Parboni T. +39 335 8304078 m.parboni@barabino.it	Giovanni Vantaggi T. +39 328 8317379 g.vantaggi@barabino.it
---	---

RATING ACTION COMMENTARY

Fitch Upgrades Unipol's IFS Rating to 'BBB+'; Outlook Stable

Thu 10 Jun, 2021 - 9:59 AM ET

Fitch Ratings - Frankfurt am Main - 10 Jun 2021: Fitch Ratings has upgraded UnipolSai Assicurazioni S.p.A.'s (UnipolSai) UnipolSai's Insurer Financial Strength (IFS) Rating to 'BBB+' from 'BBB'. Fitch has also upgraded UnipolSai and parent Unipol Gruppo S.p.A. (Unipol Gruppo, together Unipol) Long-Term Issuer Default Ratings (IDR) to 'BBB' from 'BBB-'. The Outlooks are Stable.

UnipolSai is Unipol Gruppo's main operating entity.

A full list of rating actions is below.

KEY RATING DRIVERS

The upgrade reflects Unipol's reduced asset concentration risk, following the reduction in the group's exposure to Italian sovereign debt in 2020. The upgrade also reflects improvement to Unipol's capitalisation in 2020 despite the adverse and volatile business and capital-market conditions caused by the coronavirus pandemic. We expect both asset concentration risk and capitalisation to be maintained at current levels in 2021. The ratings continue to reflect Unipol's strong profitability, moderate leverage and 'most favourable' business profile among rated peers.

Fitch views Unipol's investment policy as prudent, with nearly 82% of the group's investment portfolio invested in good-quality fixed-income instruments at end-2020. Unipol's concentrated exposure to Italian sovereign debt significantly reduced in 2020 but remains high. Italian sovereign debt fell to 2.8x consolidated shareholders' equity at end-2020, and further decreased to 2.6x at end-1Q21, (2019: 3.5x, 2018: 4x) as a result of a de-risking initiative to protect the group's solvency capital from potential volatility of Italian government spreads. However, Unipol's reduced risky assets was more than offset by Fitch's downgrade of Italy in April 2020 that, under Fitch's insurance criteria, led to a deterioration of the group's risky assets ratio to 156% as at end-2020 (2019: 141%). This ratio slightly improved in 1Q21 to 146%.

Unipol's capital, as measured by Fitch's Prism Factor Based Model (Prism FBM), improved to 'Very Strong' based on end-2020 data from 'Strong' in 2019, due to very strong retained earnings. Fitch expects Unipol's Prism FBM score to remain 'Very Strong' in 2021. Unipol's solvency coverage was also very strong and improved to 216% at end-2020 from 187% at end-2019.

Fitch views Unipol's financial leverage ratio (FLR) as moderate for the group's ratings. In 2020, the FLR remained stable at 35%, following the issue of a EUR1 billion senior unsecured green bond by Unipol Gruppo (treated as 100% debt in FLR) and EUR500 million restricted Tier 1 notes by UnipolSai in 2H20 (100% equity). Unipol's FLR decreased to 32% at end-5M21, following the reimbursement of two subordinated notes totalling EUR562 million, in line with Fitch's expectations. We expect FLR to remain below 35% in 2021.

Fitch assesses Unipol's profitability as strong. The Fitch-calculated combined ratio improved to 87% in 2020 (93% in 2019), benefitting from significantly reduced claims frequency during lockdown in Italy. Fitch expects Unipol's underlying and net profitability to decline slightly in 2021 as general mobility recovers, but to remain strong and above pre-pandemic levels.

We assess Unipol's business profile as 'most favourable'. UnipolSai is the largest motor underwriter in Italy and the leader in the use of telematics in motor insurance. Unipol also has a strong market position in the Italian life insurance sector. The group has a strong franchise and can exploit its pricing power and strong distribution capabilities through its network of agencies and bancassurance agreements.

RATING SENSITIVITIES

Factors that could, individually or collectively, lead to positive rating action/upgrade:

--A reduction in Unipol's exposure to Italian sovereign debt to below 2.0x consolidated shareholders' equity on a sustained basis.

--A one-notch upgrade of Italy's Long-Term Local-Currency IDR.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

--A one-notch downgrade of Italy's Long-Term Local-Currency IDR is likely to lead to downgrade of Unipol's ratings by one to two notches.

--An increase in Unipol's exposure to Italian sovereign debt to above 3.5x consolidated shareholders' equity.

--A decrease in Unipol's Prism FBM score to the lower range of 'Strong' or FLR weakening to above 40% on a sustained basis.

BEST/WORST CASE RATING SCENARIO

International scale credit ratings of Financial Institutions and Covered Bond issuers have a best-case rating upgrade scenario (defined as the 99th percentile of rating transitions, measured in a positive direction) of three notches over a three-year rating horizon; and a worst-case rating downgrade scenario (defined as the 99th percentile of rating transitions, measured in a negative direction) of four notches over three years. The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Best- and worst-case scenario credit ratings are based on historical performance. For more information about the methodology used to determine sector-specific best- and worst-case scenario credit ratings, visit <https://www.fitchratings.com/site/re/10111579>

Feedback

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG CONSIDERATIONS

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. For more information on Fitch's ESG Relevance Scores, visit

www.fitchratings.com/esg

RATING ACTIONS

ENTITY/DEBT	RATING			PRIOR
UnipolSai Assicurazioni S.p.A.	LT IDR	BBB Rating Outlook Stable	Upgrade	BBB- Rating Outlook Stable
	Ins Fin Str	BBB+ Rating Outlook Stable	Upgrade	BBB Rating Outlook Stable
● senior unsecured	LT	BBB	Upgrade	BBB-
● subordinated	LT	BB+	Upgrade	BB
● subordinated	LT	BB-	Upgrade	B+
Unipol Gruppo	LT	BBB Rating Outlook Stable	Upgrade	BBB- Rating

[VIEW ADDITIONAL RATING DETAILS](#)

FITCH RATINGS ANALYSTS

Alberto Messina

Director

Primary Rating Analyst

+49 69 768076 234

Fitch Ratings – a branch of Fitch Ratings Ireland Limited

Neue Mainzer Strasse 46 - 50 Frankfurt am Main D-60311

Robert Mazzuoli, CFA

Director

Feedback

Fine Comunicato n.0230-89

Numero di Pagine: 7